



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

September 28, 2000

H.R. 4643

Torres-Martinez Desert Cahuilla Indians Claims Settlement Act

As ordered reported by the Senate Committee on Indian Affairs on September 27, 2000

SUMMARY

H.R. 4643 would ratify a settlement agreement entered into by the Department of Justice (DOJ), the Imperial Irrigation District, the Coachella Valley Water District, and the Torres-Martinez Desert Cahuilla Indian Tribe. Under the agreement, the tribe would receive a total of \$10 million from the federal government to compensate the tribe for the flooding of reservation lands and relief against further inundation of those lands. In addition, the Department of the Interior (DOI) would take into trust up to 11,800 acres of land acquired by the tribe, and the tribe would be permitted to conduct gaming on this land.

The legislation would authorize the appropriation of \$6 million to the tribe to satisfy the terms of the settlement agreement. CBO estimates that implementing H.R. 4643 would cost \$6 million in fiscal year 2001. Under the settlement, an additional \$4 million would be paid from the Judgment Fund to the tribe, and would not require appropriation action. Enacting H.R. 4643 would result in direct spending of \$4 million in fiscal year 2001. Because the legislation would affect direct spending, pay-as-you-go procedures would apply. The legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Any costs resulting from the settlement agreement would be incurred voluntarily by the parties to that agreement.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 4643 is shown in the following table. This estimate assumes that the amounts authorized will be appropriated and that the legislation will be enacted near the beginning of fiscal year 2001. The costs of this legislation fall within budget function 800 (general government) and 450 (community and regional development).

	By Fiscal Year, in Millions of Dollars				
	2001	2002	2003	2004	2005
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Authorization Level	6	0	0	0	0
Estimated Outlays	6	0	0	0	0
CHANGES IN DIRECT SPENDING					
Budget Authority	4	0	0	0	0
Estimated Outlays	4	0	0	0	0

BASIS OF ESTIMATE

H.R. 4643 would authorize DOJ and DOI to make payments to new tribal trust funds, including \$4 million from the Judgment Fund and \$6 million from appropriated amounts. These funds could be spent on attorney fees, per capita payments, land acquisition, and other activities as provided for in the settlement agreement.

Spending Subject to Appropriation

H.R. 4643 would authorize the appropriation of \$6 million to the trust funds established by this legislation to satisfy the settlement agreement entered into by the DOJ, the Imperial Irrigation District, the Coachella Valley Water District, and the Torres-Martinez Desert Cahuilla Indian Tribe. The funds deposited into the trust funds would become the tribe's property, so assuming that appropriations of \$6 million are provided in 2001, outlays of that amount would be recorded in that year.

In addition, H.R. 4643 would authorize DOI to take into trust up to 11,800 acres of land acquired by the tribe. Based on information from the department, CBO estimates that any administrative cost to the federal government to take those lands into trust would not be significant.

Direct Spending

Under the terms of the settlement agreement, the federal government would transfer \$4 million into the tribe's trust funds from the Judgment Fund. The funds deposited into the

trust funds would become the tribe’s property. Because the settlement agreement requires the approval of the Congress, enacting H.R. 4643 would result in additional direct spending of \$4 million in 2001. The tribe does not have a legal claim pending against the federal government, so the Judgment Fund is not available to fund a settlement agreement absent this legislation.

This settlement would extinguish any future claim that the tribe may have against the United States, so it is possible that the amount paid to the tribe under the legislation could be offset by a reduction in payments that would be made from the Judgment Fund in future years. However, CBO cannot estimate either the likelihood or the magnitude of such offset because there is no basis for predicting either the outcome of possible litigation against the United States or the amount of compensation, if any.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The following table summarizes the estimated impact of H.R. 4643 on direct spending.

	By Fiscal Year, in Millions of Dollars										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays ^a	0	4	0	0	0	0	0	0	0	0	0
Changes in receipts	Not applicable										

a. This cost could be offset by a reduction in future payments from the Judgment Fund, however, CBO cannot estimate the likelihood or magnitude of such an offset.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 4643 contains no intergovernmental or private-sector mandates as defined in UMRA. Any costs resulting from the settlement agreement would be incurred voluntarily by the parties to that agreement. Under the terms of the agreement, the Coachella Valley Water District and the Imperial Irrigation District would make certain payments for the benefit of the tribe. In return for these payment and other benefits conferred by the agreement, the tribe would give up its claims relating to land flooded by the Salton Sea.

PREVIOUS CBO COST ESTIMATE

On August 17, 2000, CBO transmitted an estimate for H.R. 4643, the Torres-Martinez Desert Cahuilla Indians Claims Settlement Act, as ordered reported by the House Committee on Resources on July 26, 2000. The two versions of the legislation are similar, and our cost estimates are identical.

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